

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** Monday, February 24, 2014
- TIME:** 1:30 pm or Upon Adjournment
- PLACE:** Room EW42
- MEMBERS:** Chairman Andrus, Vice Chairman Boyle, Representative(s) Bolz, McMillan, Batt, Bell, Agidius, Dayley, Miller, Romrell, Stevenson, VanOrden, Pence, Erpelding
- ABSENT/
EXCUSED:** None
- GUESTS:** Traci Bracco, Idaho Beef Council; John Jameson, Idaho Horse Council; Wyatt Prescott, Idaho Cattle Association; Russ Hendricks, Idaho Farm Bureau; Jim Lowe, Food Producers; Charlene Cooper, Idaho Horse Council; Myron Amsden, Idaho Horse Council; Stan Boyd, IHC; Joe Steguer, University of Idaho
- Chairman Andrus** called the meeting to order at 3:14 p.m.
- MOTION:** **Rep. Erpelding** made a motion to approve the minutes of the February 6, 2014 meeting. **Motion carried by voice vote**
- S 1266:** **Benjamin Kelly**, Idaho Honey Industry Association, presented **S 1266**, Bees. He said Idaho beekeepers play a major role in the pollination of many fruit crops in California. He said Idaho's location between North Dakota and California has proven to be beneficial in the transition from one destination to the other and has made it possible for Idaho producers to winter bees from North Dakota until it is the appropriate time for them to be taken to pollinate on the west coast. He said the honey industry has reviewed the procedures related to bringing hives into the state for the purpose of indoor winter storage and supports the legislation.
- Jay Miller**, Bee Keeper, Blackfoot said the climate in Idaho provides for an ideal way to store bees for the winter. He said by doing this it provides for a good jump start for the bees to pollinate almonds. He said the bees provide no service or problems to Idaho due to the fact that they are quarantined during their time here. He said the Association would appreciate the Legislature's support.
- MOTION:** **Rep. Erpelding** made a motion to send **S 1266** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.
- S 1267:** **John Jamison**, Idaho Horse Council, presented **S 1267**, Equine Education Account. He said the funding to the account was historically used to underwrite research at the University of Idaho Northwest Equine Reproduction Laboratory (INERL). He said the INERL has been closed. He said the funding for the Equine Education Account comes from a percentage of the money wagered on horse racing. He said this legislation provides that current and future money in the account will be utilized by the University of Idaho Social Science Research Unit to update the Idaho horse census survey. He said any funds not used for the Idaho horse census survey may be expended by the University of Idaho on equine research.
- In answer to a Committee question as to what the Horse Council does with the information gathered from the census, **Mr. Jamison** said the information is used to assess the economic viability of the horse industry within the state of Idaho.
- MOTION:** **Rep. Bolz** made a motion to send **S 1267** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Agidius** will sponsor the bill on the floor.

S 1268: **Wyatt Prescott**, Idaho Cattle Association, presented **S 1268**, Animals, Beef Bull Testing. He said this legislation provides that all non-virgin beef bulls not consigned to slaughter or to an approved feedlot within the state of Idaho shall be tested for trichomoniasis annually. He said currently, bulls north of the Salmon River are exempt from this requirement. He said the disease causes abortion of calves and bulls remain infected with trichomoniasis for life. He said the Association wants to make the requirements uniform across Idaho and statewide testing will keep cattle herds healthy.

MOTION: **Rep. Agidius** made a motion to send **S 1268** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Miller** will sponsor the bill on the floor.

Wyatt Prescott, Executive Vice President, Idaho Cattle Association (ICA), presented the annual report. He said ICA was established in 1915 and they are looking forward to celebrating their 100th year. He said ICA is Idaho's only professional organization solely dedicated to representing the business interests of every segment of the beef cattle industry and is 100% voluntary dues driven. He said dues are paid on 1.75 million head of Idaho's 2 million head of beef cattle.

Mr. Prescott discussed legislative priorities as being wolf control funding, statewide trichomoniasis testing, agricultural production interference and secondary agricultural education initiative. He said the priority issues outside of the Legislature are first and foremost, Owyhee 68, Fight to Preserve the West. He said it is a massive renewal of federal lands grazing permits with the Bureau of Land Management (BLM) that was issued in 2013. He said there was a 50% cut in operating those permits. He said other priority issues for ICA are the sage grouse, brucellosis, wildlife depredation, CAFO oversight, State lands, and wildfire.

Mr. Prescott said tighter supplies will continue to be the battle for the beef industry in 2014. Cattlefax projects retail and wholesale beef prices to increase 7% in 2014 because we will produce 54 pounds less per person. He said it is the lowest cow herd since 1950. He said producers are keeping more cull cows and heifers and as a result there is a lot less cattle to consume in 2014. He said feedlots are operating at 60% of their business capacity. He said there will be some slow herd expansion for cow-calf producers in 2014.

Traci Bracco, Executive Director, Idaho Beef Council (IBC), presented the annual report. She said IBC is the marketing arm for the beef producers of Idaho. She said the Mission of IBC is to build consumer demand for beef through integrated state, national and international marketing programs and thereby increasing the opportunity for producer profitability. In Idaho, there is a \$1.50-per-head assessment collected from all producers and \$1.00 of it is retained by Idaho with 7.5 cents paid to the Brand Inspector for collection. She said in Fiscal 2013 the collections totalled \$2.53 million, an increase of 5% from Fiscal 2012. She said as set up by the 1985 Farm Bill, the Checkoff Dollars are used for promotion, research, consumer information, industry information, foreign marketing and producer communication activities. By law, Checkoff dollars may not be used for government policy or lobbying.

Ms. Bracco said the audiences they reach out to are consumers, health professionals, media, educators, chefs, retail partners, and foodservice partners. She said in order to reach these people IBC has a strategic and comprehensive marketing plan with multiple touch-points that makes effective and efficient use of Idaho's Checkoff. She said some of the highlights of Fiscal 2013 were in the areas of advertising, media and public relations where more than 700,000 Idahoans were reached; consumer events and promotions reaching over 209,000 Idahoans; retail and foodservice programs with double digit growth; youth programs with over 20,000 youth reached; and promoted beef's nutritional value to close to 25,000 health professionals.

Ms. Bracco said the IBC must work to promote beef outside of our borders to keep the beef industry healthy and the places the money is sent outside of Idaho to include the National Program Investments, Federation Initiative Fund, and the US Meat Export Federation (USMEF). She said Idaho is the only state who decides where their dollars will go. She said IBC markets beef around the globe in the international market which offers Idaho beef presence in more than eighty foreign countries with Japan being number one in beef export.

Blaine Jacobson, Executive Director, Idaho Wheat Commission, presented the annual report. He said world production continues to grow and the last six years have been record production and consumption years. He said there are high world inventories right now and that is due to Canada and Australia having record production years. He said the ending stocks are up a little from last year and the last six years have been very strong for the industry. He said China was Idaho's number one wheat customer in export sales last year and the Commission expects China to continue to be a very strong customer.

Mr. Jacobson said one concern in the wheat industry is that we continue to lose acres to corn and soy beans. He said wheat is grown in 42 of Idaho's 44 counties with some of the highest yields per acre of any state. He said cash receipts for Idaho wheat were \$732 million in 2013 and \$790 million in 2012. He said 50% of Idaho's wheat is exported. He said Idaho is number one in hard white wheat and makes up about 10% of the State's harvest. He said about half of the budget is used for research and over \$1 million goes to the University of Idaho. He said in 2015 they expect spending will be up slightly over 2014 with research being the primary driver of that at 56%.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:37 p.m.

Representative Andrus
Chair

Angela Sandoval
Secretary